

Power Cost Memorandum Fuel Cost Update

Date: **December 15, 2022**

Utility Name (Cert. No.) Chignik Lagoon Power Utility (658)	Utility File No. PC92-0522B	Date Filed: November 17, 2022
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PCE AMOUNT SUMMARY	Previously Approved PC92-0522A	Staff Recommended Amount(s) and Effective Date PC92-0522B
Class Rate	Date Approved: November 18, 2022	December 16, 2022
Residential	\$ 0.5495	\$ 0.5107
Community Facilities 0 to 500 kWh	\$ 0.5495	\$ 0.5107
Community Facilities 501 and above	\$ 0.5495	\$ 0.5107
<input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim		<input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim

Prior Fuel Purchase Price: \$ 5.2987	New Fuel Purchase Price: \$ 4.8500
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous <u>0</u> Updated <u>0</u>

Weighted Average Fuel Price/Gal. Calculation					
	Gallons		Price		
On-hand before deliv.	8,000	X	5.2987	=	42,389.76
Delivered	19,500	X	4.6659	=	90,985.05
	<u>27,500</u>				<u>\$ 133,374.81</u>
					Weighted Average
					\$ 4.8500

Signed: Brenda Cox
Brenda Cox Utility Financial Analyst

Commission decision regarding this recommendation :

	Date (if different from 12/15/22)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Kurber		<u>KKT</u>		
Doyle		<u>BD</u> BD		
Pickett		<u>RMP</u> BP		
Sullivan		<u>DS</u> DS		
Wilson		<u>JW</u> JW		

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CHIGNIK LAGOON POWER UTILITY

POWER COST EQUALIZATION CALCULATION
FOR TEST PERIOD ENDING DECEMBER 31, 2021
Fuel Cost Update

	PC92-0522A	PC92-0522B
	Prior Commission Approval	Utility Request Staff Recommended
A. Total kWh Generated	513,656	513,656
B. Total kWh Sold (Appendix 2)	446,801	446,801
C. Total Non-Fuel Costs (Appendix 2)	130,418	130,418
D. Non-Fuel Cost/kWh (C/B)	\$0.2919	\$0.2919
E. Total Fuel Costs (Appendix 2)	215,510	197,259
F. Fuel Costs/kWh (E/B)	\$0.4823	\$0.4415
G. Eligible Costs/kWh (D+F)	\$0.7742	\$0.7334
H. Eligible Cost/kWh (G) Less 19.58 cents/kWh	\$0.5784	\$0.5376
I. Lesser of (H) of 80.42 cents/kWh	\$0.5784	\$0.5376
J. Average Class Rates (Appendix 3)		
Residential	\$0.7042	\$0.7042
Small Community Facilities 0 to 500 kWh	\$0.7042	\$0.7042
Small Community Facilities 501 and above	\$0.7042	\$0.7042
K. Lesser of: (I) x 95% or (J)		
Residential	\$0.5495	\$0.5107
Small Community Facilities 0 to 500 kWh	\$0.5495	\$0.5107
Small Community Facilities 501 and above	\$0.5495	\$0.5107
L. Funding Level in Effect	100%	100%
Residential	\$0.5495	\$0.5107
Small Community Facilities 0 to 500 kWh	\$0.5495	\$0.5107
Small Community Facilities 501 and above	\$0.5495	\$0.5107

PC92-0522B
Appendix 1

CHIGNIK LAGOON POWER UTILITY

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
FOR TEST PERIOD ENDING DECEMBER 31, 2021

Fuel Cost Update

		PC92-0522A	PC92-0522B	
		Prior Commission Approval	Per Utility	Staff Recommended
Non-Fuel Costs:				
A.	Personnel Costs	53,947	53,947	53,947
B.	Operating Expenses	23,447	23,447	23,447
C.	General & Administrative	30,515	30,515	30,515
D.	Depreciation	29,556	29,556	29,556
E.	Interest Expense	0	0	0
F.	Other Revenue Fuel Sales	(7,047)	(7,047)	(7,047)
G.	Total Non-Fuel Costs	\$130,418	\$130,418	\$130,418
Fuel Costs:				
H.	Gallons Consumed for Electric Generation	40,672	40,672	40,672
I.	Price of Fuel:(per gal) Weighted Average	\$5.2987	\$4.8500	\$4.8500
J.	Total Cost of Fuel	\$215,510	\$197,259	\$197,259
K.	kWh Sales	446,801	446,801	446,801
L.	kWh Generated with Diesel	513,656	513,656	513,656
	kWh Generated with Hydro	18,350	18,350	18,350
	Total kWh Generated	532,006	532,006	532,006
M.	kWh Station Service	21,338	21,338	21,338
N.	Efficiency	12.63	12.63	12.63
	(kWhs generated per gallons consumed)			
O.	Line Loss	12.00%	12.00%	12.00%
	(kWh generated - (kWh sales + Station Service))/kWh generated			

PC92-0522B
Appendix 2

CHIGNIK LAGOON POWER UTILITY

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **Residential**

Customer Charge: 0

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to 750	0.9000	0.0000	0.9000	675.0000	0.9000	0.7042
to						
to						
to						
Max 750	Total					

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to 500						
501 to						
to						
to						
Max 750	Total					

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to 500						
to						
to						
to						
Max 750	Total					

CHIGNIK LAGOON POWER UTILITY

CALCULATION OF COMMUNITY FACILITY AVERAGE RATE PER kWh

Rate Schedule: Comm. Facilities				Customer Charge: 0
(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.1958
0 to 500	0.9000	0.0000	0.9000	0.7042
501 to ∞	0.9000		0.9000	0.7042

Rate Schedule:				Customer Charge: 0
(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.1958
0 to				
to				
to				

Rate Schedule:				
(1) Block	(2) Rate/ kWh	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(6) Average Rate(\$/kWh)- \$ 0.1958
0 to				
to				
to				

Chignik Lagoon Power Utility

Fuel Purchases

	Delivery Date	Gallons	Cost per Gallon	Delivery/ Mark-Up per Gallon	Total Cost
Beginning Fuel Inventory		8,000			
Last Approved Fuel Cost/Gal.			\$ 5.2987		
Beginning Fuel Inventory in Gallons	X	Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory Cost ---		\$	42,390
Reporting Period Purchases	11/10/22	19,500	4.6659		90,985
Totals for Reporting Period Purchases on this sheet:		19,500			90,985
Delivered Weighted Average		\$4.6659			
Grand Totals (beginning inventory plus purchases) A		27,500		B \$	133,375

Grand Total Cost (B) divided by Grand Total Gallons (A) = 4.8500 Weighted Avg. Cost per gallon

Staff notes Chignik Lagoon included the State motor fuel tax - marine diesel of \$0.05 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

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